

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

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Arizona Corporation Commission

DOCKETED

AUG 17 2016

DOCKETED BY

IN THE MATTER OF THE JOINT APPLICATION
OF WILLOW VALLEY WATER CO., INC. AND
EPCOR WATER ARIZONA, INC. FOR
APPROVAL OF THE SALE OF ASSETS AND
TRANSFER OF CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-01732A-15-0131

DOCKET NO. W-01303A-15-0131

DECISION NO. 75484

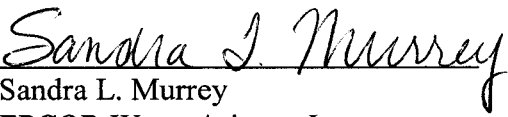
NOTICE OF COMPLIANCE
FILING -QUARTERLY
VOLUMETRIC THRESHOLD
REBATE REPORT

1 Decision No. 75484, dated March 10, 2016, approved the sale of Willow Valley Water
2 Co., Inc.'s ("Willow Valley") assets and the transfer of its Certificate of Convenience and
3 Necessity to EPCOR Water Arizona, Inc. ("EPCOR"). The sale was completed on May 9, 2016.
4 As part of this sale the Commission ordered that EPCOR shall continue to comply with all
5 Commission decisions and outstanding compliance matters previously required of Willow Valley
6 relating to the acquired water system. The volumetric threshold rebate design was approved in
7 Decision No. 71878 (September 15, 2010) and was carried forward in Decision No. 74364
8 (February 26, 2014).

9 In compliance with Decision No. 75484, EPCOR hereby files the attached quarterly
10 volumetric threshold rebate report for the period May 1, 2016 to July 31, 2016. Please note that
11 the data reflected in this report for billings during the month of May 2016 was provided to
12 EPCOR by Global Water. The vast majority of Willow Valley bills dated in the month of May
13 2016, were generated before May 9, 2016, under Global's ownership. As such, EPCOR does not
14 attest to the accuracy or validity of the data for May 2016.

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2 Respectfully submitted on August 17, 2016.
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7 Sandra L. Murrey
8 EPCOR Water Arizona Inc.
9 2355 W. Pinnacle Peak Road, Suite 300
10 Phoenix, AZ 85027
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22 Original and 13 copies **filed**
23 on August 17, 2016, with:
24

25 Docket Control
26 Arizona Corporation Commission
27 1200 West Washington Street
28 Phoenix, Arizona 85007
29

30
31 Copies of the foregoing **emailed**
32 on August 17, 2016 to:
33

34 Barbara Keene
35 Compliance, Manager
36 Utilities Division
37 1200 West Washington Street
38 Phoenix, AZ 85007
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1 Water Company – Greater Buckeye Division, Willow Valley Water Company, Inc., Global Water –
2 Santa Cruz Water Company, Water Utility of Greater Tonopah, Inc., and Valencia Water Company –
3 Town Division shall notify their customers of the revised schedules of rates and charges authorized
4 herein by means of an insert in their next regularly scheduled billing in a form and manner acceptable
5 to the Commission's Utilities Division Staff. The customer notification shall include a specific and
6 comprehensive explanation of the new method by which the customers' bills will be calculated,
7 including the six tier rate design and the volumetric rebate threshold, and a means to contact the
8 utility to learn more about how the rate design will affect their specific usage patterns and
9 consequently, their bills.

10 IT IS FURTHER ORDERED that Global Water – Palo Verde Utilities Company, Valencia
11 Water Company – Greater Buckeye Division, Willow Valley Water Company, Inc., Global Water –
12 Santa Cruz Water Company, Water Utility of Greater Tonopah, Inc., and Valencia Water Company –
13 Town Division shall provide adequate training to all customer service representatives to ensure that
14 customers who make inquiries will receive adequate, timely, and accurate explanation of the effects
15 the new six tier rate design and the volumetric rebate threshold will have on their bills.

16 IT IS FURTHER ORDERED that Global Water – Palo Verde Utilities Company, Valencia
17 Water Company – Greater Buckeye Division, Willow Valley Water Company, Inc., Global Water –
18 Santa Cruz Water Company, Water Utility of Greater Tonopah, Inc., and Valencia Water Company –
19 Town Division make quarterly volumetric threshold rebate reports as a compliance item in this
20 docket. The quarterly filings shall commence on December 15, 2010, and shall continue until rates
21 approved in the Utility's next rate case are effective. The quarterly volumetric threshold rebate report
22 shall indicate, by month, the number of invoices prepared, the number of those invoices with
23 consumption below the rebate threshold and thus entitled to the volumetric rebate, and the dollar
24 amount of rebates provided to customers on those invoices.

25 IT IS FURTHER ORDERED that Global Water – Palo Verde Utilities Company shall file,
26 along with the new schedules of rates and charges ordered above, the Source Control Program Tariff
27 attached to Mr. Symmonds' Direct Testimony at GSS-3.

28 IT IS FURTHER ORDERED that Global Water – Palo Verde Utilities Company, Valencia

1 5. EPCOR Water Arizona, Inc. is a fit and proper entity to receive the assets and
2 certificated area of Willow Valley Water Co., Inc.

3 6. It is in the public interest to approve the application subject to the recommendations of
4 Staff as set forth in Findings of Fact No. 4, as modified herein.

5 **ORDER**

6 IT IS THEREFORE ORDERED that the joint application of Willow Valley Water Co., Inc.
7 and EPCOR Water Arizona, Inc. for the sale of Willow Valley Water Co., Inc.'s water system assets
8 and the transfer of its Certificate of Convenience and Necessity is approved as conditioned herein.

9 IT IS FURTHER ORDERED that, as discussed herein, consideration of the proposed
10 Acquisition Adjustment Mechanism shall be deferred to Willow Valley Water Co., Inc.'s next general
11 rate case.

12 IT IS FURTHER ORDERED that EPCOR Water Arizona, Inc. shall continue to charge water
13 customers in the certificated service area of Willow Valley Water Co., Inc.'s currently authorized rates
14 and charges.

15 IT IS FURTHER ORDERED that EPCOR Water Arizona, Inc. shall continue to comply with
16 all Commission decisions and outstanding compliance matters previously required of Willow Valley
17 Water Co., Inc. relating to the acquired water system.

18 IT IS FURTHER ORDERED that EPCOR Water Arizona, Inc. is hereby put on notice that
19 Willow Valley Water Co., Inc. should work towards a balanced capital structure and that a hypothetical
20 capital structure may be deemed appropriate in a future rate proceeding if EPCOR Water Arizona, Inc.
21 fails to comply with this condition.

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Quarterly Volumetric Threshold Rebate Report

Docket No. WS-01303A-15-0131 Decision No. 75484

Original Willow Water Company Docket No. W-20445A-09-0077 et al; Decision No. 71878

Period: May 1, 2016 to July 31, 2016

Utility	Overall Total of Invoices Prepared	Total Invoices Prepared Qualifying for the Rebate	Dollar Amount of Rebate Provided
<hr/>			
Willow Valley Water Company			
May-16	1,542	1,125	\$ 4,793.12
Jun-16	1,545	1,123	\$ 4,791.77
Jul-16	1,531	1,052	\$ 4,353.10
Total Rebates Provided			<hr/> \$ 13,937.99